

FLATHEAD COUNTY WATER DISTRICT #101

POB 1141, Columbia Falls, MT 59912

*** Minutes for June 7th Meeting ***

I. Call to Order and Roll Call.

--Joanna Adams to say, "As President, I hereby call to order FCWD #101's General Meeting held this June 7th, 2016; Directors present include Joanna Adams, Linda Bosworth, Harold Herman, Aaron Anderson.

Special Training on Water Rates: Dan Kramer, MRWS is presenting on water rate structures, MCA 7.7.4424 Undertakings to self-supporting and 7.13-4304 Authority to charge for services.

Board discussed the status of the income survey and Joanna stated that they did not receive any forms back from the residents as of the meeting. Dan Kramer, Montana Rural Water said, in RD Apply you can draw the boundaries of the district and it will give the median income level of the district. Matt Nerdig, A2Z engineer, will contact Lyle Coney, USDA Rural Development, to try to push this forward and get an access to RD Apply.

Board discussed that a standard chart of accounts that will need to be set up for the water district to be in compliance with end of year reporting. Dan Kramer said the water district would need an asset reserve to repair and replace assets at end of the end of life expectancy. The budget should add include an inflation rate of 2-3% per year to keep up with costs.

Discussion on the notice of intent, public hearing and final resolution which was supplied by A2Z Engineering, Matt Nerdig.

Discussion on EDU's with the Keith, one of the business owners, on why there is a difference in EDU's per line size. A 1" line has the ability to push 1.79 times more water than a ¾" line. The base rate of \$46.75 is multiplied times 1.79.

Discussion on putting in money in the budget for bad debt. The discussion was that the money can be recouped at the end of year on the taxes from the County.

Linda stated that, Bob Fischer would like the district at that target rate. With the rate increase and the loan, DNRC is giving the district more than the normal of \$12,500.00 and wants the district to borrow \$30,000.00 and raise the rates to the state norm for a system of this size.

II. Reading and approval of the minutes.

--Outline of topics covered, indicating any previous tabled issues to be yet addressed.

Joanna Adams read the minutes from the meeting on May 3, 2016. Linda had a question on the vote on 1 hour or ½ hour minimum for termination of service. Discussion took place that it was 1 hour and will be corrected on the minutes. Linda move to accept, Harold seconded the motion. No further discussion. Motion passed

III. Public comment.

--Joanna Adams to indicate 5 minutes are now available for public comment relating in any way to the water district

Keith asked about putting in a new septic system. Who does he call if they run into something. Linda asked if he had the new permit to install the septic system.

IV. Operator's report.

--Ken Kahn to provide. Ken is not present to provide. Matt took the monthly sampling for coliform.

Keith emailed Joanna on Friday about discolored water and a call from Norma. Joanna called Matt and Harold. Harold flushed the line out through a hydrant. Keith said it cleared up but took a while.

Linda said that Clarence with the Montana Historical Society wanted the water turned on for the Old River Bridge Inn. Clarence turned the water on without the permission of the district. They are trying to figure out what caused the black water. Keith said it is a common occurrence. Dan Kramer discussed that it depends on the piping whether it is galvanized or PVC. Keith said it started about a week ago at the Cenex but was solid black on Friday.

Discussion took place on RVs being hooked up to the system for long duration of time without backflow in a residents backyard or front to a yard hydrant. The board needs to decide if there should be an ordinance for RV's hooking up to the water district. The board will put together language for an ordinance and vote on it at the next regularly scheduled meeting.

Linda asked about status of water rights. The DNRC is in the process of transferring the rights.

V. Financial report.

--Linda Bosworth will provide current financials.

No updates. Owe Harold 1049.00, Ken...., Linda

Checking account has a balance of 3869.80 pulling out an autopay for electricity for 139.34. Joanna stated there was an issue with the bank. The deposit slip is correct so the bank had to enter the amount electronically.

VI. Correspondence.

--Joanna Adams to ask Directors, "is there any correspondence to discuss at this time?"

Black water, a little bit from Marge. Some people in the Heights don't have computers so can't access the site, the rate is too much, Tom Alibad?? can fix the system and do it for less. Joanna responded to Marge.

Clarence sent out a response to all board about stuff. A letter from the Sands that they are on their own well so don't bill them. They were previously hooked to the water district.

Evaluation sheet from DEQ on RATES assistance received. Received a bill for Ken's renewal of operator certification. The board will send a check for \$30.00.

VII. Old business.

1. Updates to website (JA).

2. Hiring a GM and auditor treasurer. Board is researching hiring Katie ??? who was recommended by A2Z. The board will work with Wendy, MRWS auditor to set up the books and review the file for State compliance and end of year reporting. Katie's responsibilities would include invoicing for payments, account receivables and reconcile the bank account monthly. Katie would not have authority to take money out of the account. Linda said, everything looked good to her on the annual costs for Katie but the water district is not doing payroll so the amount of \$1,057.00 would be deducted and the 15%. The district would like to go through a hiring service and not employ anyone. Dan Kramer stated, an operator can't afford to carry a bond so it would be advised that the board carry them as a part time employer to cover the liability. The board will need to weigh pros and cons on the cost for the operator as an employee or contracted. The only bill the water district has to pay is Flathead Electric. The cost for accounting services would be 383.00/month without the payroll. Joanna stated she would like to get it rolling this month. Linda stated she is also ready but someone will still need to pick up mail.

Joanna made a motion to contact Katy and hire her, seconded by Harold, no further discussion, motion passed.

3. Hiring a secretary. Tabled until next month.

4. Assessment of lots 38 & 39. Linda stated, Good News, she went to the county assessor and the taxes were paid by Serena Streeter at the time of transfer. Dan Kramer said they need to put the properties into tax exempt status. The water district is a 501 3C non-profit and part of the County so the water district should not have to pay taxes on the property.

5. Information for seats up for election in May 2017. Tabled for later.
6. Status of water rights transfer. See Previous Comments
7. Status of the pump station to be picked up from Flathead County Water and Sewer District. Still ok
8. President to give status of payments owing to Streeter for tank house meter.
9. Hiring CPA for taxes. Suggested the board put the business on quick books.
10. Status of Income Survey. Everyone at the meeting stated that they had not received the income survey.
11. Status of Emergency repairs and loan application. Matt stated, he is still gathering information for the forms.
12. Proper Signage at both well houses and tank houses. Harold is working on it.

VIII. New business.

--Joanna Adams to say, "New business." There are 8 items to discuss under new business this evening. Following those 8 items, there will be time available for public comment regarding any of those items. Please withhold any interruptions, comments or questions until I direct it is time for public discussion after all items have been addressed. Thank you."

1. Hire a certified operator, there is one operator that was interested. Linda suggested not hiring someone who isn't certified. Discussion of hiring a contract operator. Dan Kramer said they are required to advertise for the position. Matt will put together the class description of operator and send to the district. Shelley will take the monthly coliform water sample for the district on 6/8/2016.
2. Rate change notification and preparation. Vote to publish notice. Linda put together a notification. It will need to be changed now that they will be hiring a bookkeeper. The board will send out the letter and the resolution to meet the time requirement for public notice and the hearing scheduled for the next regular meeting on July 5, 2016. Joanna made a motion to accept the letter and

resolution and Harold seconded the motion. No further discussion. The motion passed.

3. Status of emergency response plan. Shelley Nolan briefly discussed the source water protection management plan and emergency response plan to be developed by a group of interested agencies and individuals.
4. Flushing the system, included discussion of how often to do this. Matt Nerdig suggested using the flushing hydrant now and the operator can set up a flushing program later. Shelley Nolan suggested waiting until later in the summer when the use slows down unless absolutely necessary. It might put too much stress on the well pumps and would lower flow and pressure in the distribution.
5. Testing for Iron, Iron Bacteria, or Manganese. Tabled for later
6. Discussion and vote for whom to hire to handle weekly bookkeeping of district accounting and process, and board member to oversee. See earlier discussion.
7. Board member/ process to ensure monthly water testing occurs before 15th monthly beginning this month, June 2016. Shelley Nolan will sample tomorrow.
8. Board discussion took place that only a certified water operator can turn water on/off and the process for that, i.e., written request by party, advance posted notice of anticipated actions by certified water operator unless emergency, operator must remain present for water turned on, landowner written permission obtained and in hands of certified operator prior to water lines turned on. Linda and Joanna are discussing a form online that the property owner can fill out and submit. Will bring to the next meeting and review.
9. Board discussion about a proposal for bills to go directly to the property owners, not the renters. Dan Kramer stated, this is already in the Montana Code Annotated (MCA) so the water district does not need to have an ordinance. Matt Nerdig stated, the board will need to let Katie know that all bills will go to property owners, not the renters. The board will need to prepare something for the Lakeside ordinances and will need to vote on the ordinance at the next regular scheduled meeting. Joanna made a motion to include that an ordinance will be published and voted on at the next regularly scheduled meeting to send the water bills to the property owners and not the tenants. Harold seconded the motion, no further discussion, the motion passed

[Joanna Adams to announce there is now time available for public comment re any new business just discussed]

Keith Brown, owner of the Cenex Gas Station, asked Dan Kramer to clarify the rate increase and the equivalent dwelling units (EDU) method of determining what he would pay as a business owner. Keith also stated he has two frost free hydrants located inside the back building on each end that now housed his new business. He also stated he has a water line that comes in the front of the store and gas station. Dan Kramer explained that for a ¾ to 1" line the cost is around 46.00. There is a calculation that is used as the line size increases to 1 ½" to 2" and going up. It depends on the size and number of lines to the building.

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--Joanna Adams to ask, "Do the Directors or interim Secretary have anything else to discuss at this time, or have any questions?"

--Joanna Adams to announce the next General Meeting of the Board is to be held on July 5th, 2016, 7pm, at the Badrock Fire Department.

IX. Adjournment.

--Joanna Adams to say, "This completes our business for this June 7th General Meeting. This meeting is now adjourned." 9:55pm